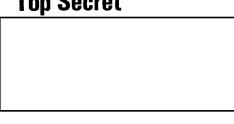


Top Secret





DIRECTORATE OF INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

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Approved For Release 2004/07/08 : CIA-RDP79T00826A001700010061-0	25X1
Information as of 1600 17 March 1967	25X1
HIGHLIGHTS	
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I. The Military Situation in South Vietnam: The Communists are reportedly building a new infiltration and supply route from the highlands of Kontum Province to the coast in Quang Ngai Province (Paras. 1-2).	25X1 25X1
II. Political Developments in South Vietnam: There has been no indication whether the deputies of the Constituent Assembly have reached agreement over the Directorate's proposed changes in the constitution (Para, 1). The Peoples-Army Council approved a resolution including views on Vietnamese self-determination (Para, 2). The Ministry of Economy and Finance is being strengthened (Para, 3).	
III. Military Developments in North Vietnam: Traffic across a bridge on the Red River in Hanoi has been halted since two bombs were inadvertently dropped from a US aircraft into the river bed nearby (Paras. 1-2).	25X1 25X1

IV. Other Communist Military Developments: There is nothing of significance to report.

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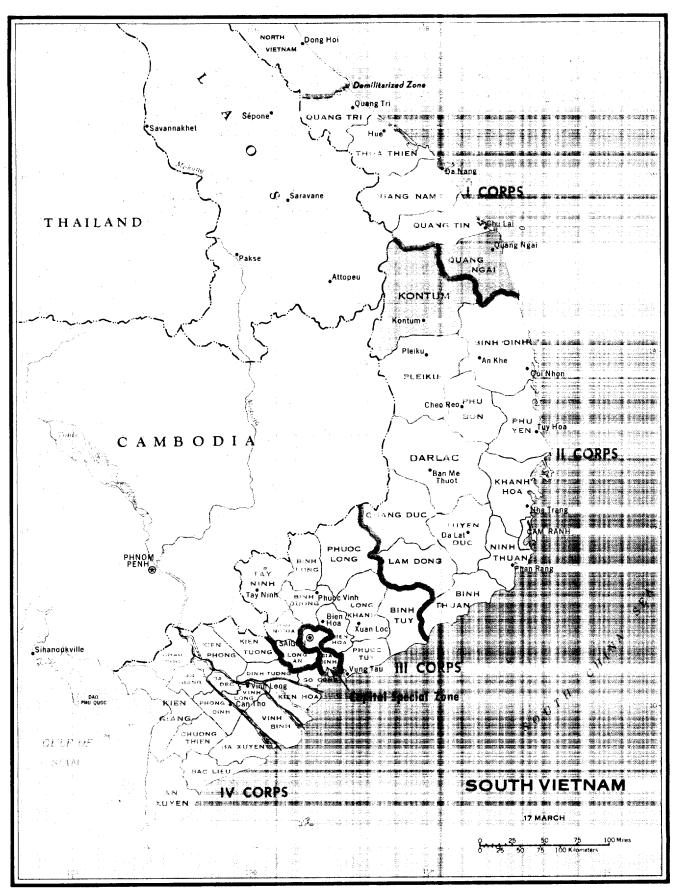
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V. Communist Political Developments:

Most North Vietnamese leaders took advantage of the Tet standdown in air strikes to visit the provinces (Paras. 4-6).

VI. Other Major Aspects: A Communist unit estimated to be a regiment was discovered recently in the Laotian panhandle near Route 922 which is being extended into South Vietnam (Paras. 1-3).



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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Construction of a new infiltration/supply route in the central highlands began late last month in northeastern Kontum Province

The trail,

which is expected to be completed in a month, may terminate in a Viet Cong base area in southeastern Quang Ngai Province.

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2. The route was selected to facilitate the movement of war equipment and food supplies for Communist units which become engaged with allied search-and-destroy operations. Other supply routes are believed to exist between the coastal areas and the highlands and this particular route may supplement those routes.

Mission of Assault Youth Groups in South Vietnam

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Youths are organized along military lines in squad, platoon, company, and battalion-size formations, but are not used for combat duties. The youths are divided into three categories: "Front Line" Youths, who transport provisions, ammunition, and equipment to the battlefield; "Middle Line" Youths, responsible for moving these items up to Front Line Youth positions from the rear; and "Rear" Youths, who work at base depots.

5. The Assault Youth Groups were first organized in South Vietnam in 1965 to give logistical support to Viet Cong rear service units following the buildup of Communist forces which occurred at that time. The groups also serve as a manpower pool for future Viet

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Cong recruitment. No evidence is yet available on the number of Assault Youths operating throughout the South, but it is known that groups exist at village, district, and provincial levels.

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youth unit is probably attached to the Central Office for South Vietnam and that groups at the regional level are also being established.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

The Constituent Assembly, which is considering the Directorate's proposed changes in the constitution, met briefly on 16 March to consider revisions of specific articles, but recessed until 17 March without reaching any decisions. Sources in the government suggested that the assembly's final version, including any alterations reflecting the Directorate's position, might be ready by 18 March. In view of the departure of Premier Ky and Chief of State Thieu to Guam on the 19th, however, the deputies may stall further. There have been no reports from assembly deputies to indicate whether they will bend toward a compromise with the Directorate, which appears to have come down hard against the assembly's self-appointed authority to act as an interim legislature.

Advisory Council Resolution

2. In keeping with the current government propaganda campaign to counter "false peace" proposals, the Peoples - Army Council (PAC) resolved on 16 March that peace proposals made without consultation with the GVN are contrary to its right of self-determination. The resolution also called for the strengthening of the Foreign Ministry and the clear declaration of the "position" of allied armies through written agreements. The debate appears to have provoked little interest since only 16 of the 80 advisory council members were in attendance.

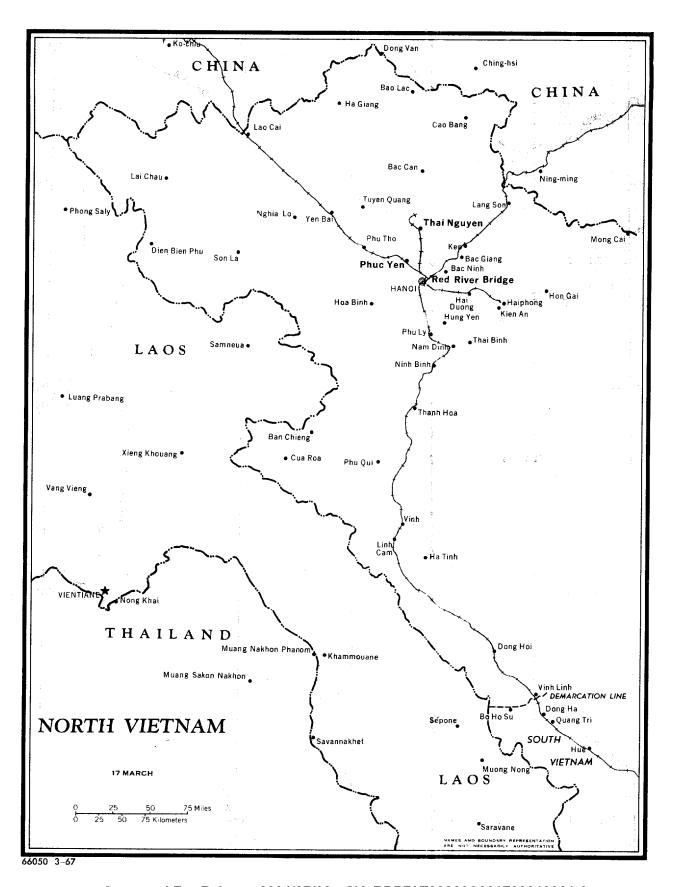
Changes in Ministry of Economy and Finance

3. Nguyen Huu Hanh, the governor of the National Bank of Vietnam, appears to be firmly established as the new minister of economy and finance, although the GVN has not officially announced his appointment. The post was vacated last fall when the former minister, southern civilian Au Truong Thanh, resigned in protest against alleged northern intimidation of a southern subcabinet official. Since then, Premier

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Ky has sought to bolster the economy ministry which he considers the weakest portion of his cabinet, especially in view of inflationary problems and the cyclical rice shortages. The interim economy minister, Truong Thai Ton, resigned because of ill health, according to a Vietnamese press release on 16 March. The semiofficial release also cited authoritative sources who confirmed Hanh's appointment to the post.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

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traffic across the Red River bridge in Hanoi had been suspended for three days with no reason given by local authorities. The ban affects cyclists as well as cars and trucks. Traffic has apparently been rerouted to cross the river on temporary structures made of bamboo.

| likely reason for the suspension is the presence of two unexploded bombs which a US fighter-bomber reportedly dropped on 12 March. The bombs apparently fell on a sand bank in the river.

2. Operational reports indicate that two bombs which had failed to release on target, fell from an F-105 in the vicinity of the Red River. The pilot reported that the bombs were unarmed when they dropped.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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L	V. COMMUNIST POLITICAL DEVELOPMENTS		

DRV Leaders Visit Provinces

4. All of the North Vietnamese politburo, with three notable exceptions, have shown up at public affairs recently. Many politburo members took advantage of the Tet bombing lull to tour the provinces. Vo Nguyen Giap reviewed the troops in the southern DRV and Ho Chi Minh went

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out into agricultural areas just south of Hanoi to visit evacuation centers for former residents of the capital. The three who have not appeared since the first of the year are Nguyen Chi Thanh, Le Duc Tho, and Hoang Van Hoan.

5. Nguyen Chi Thanh's absence is explained by his continued presence in South Vietnam and, Hoang Van

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Hoan is in Peking "as standing representative with particular responsibility for the transit of supplies."

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Hanoi has not announced a replacement for the former DRV ambassador
in Peking, Tran Tu Binh, who died last month. Hoan
is a former ambassador to Peking and reportedly has
strong pro-Chinese sympathies. Peking would certainly consider him one of the most acceptable of
the Vietnamese leadership with whom to deal. There
have also been unconfirmed reports

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that new arrangements have been made to facilitate Soviet aid shipments across China. According to these reports, the Vietnamese have reportedly agreed to take over aid shipments at the Sino-Soviet border.

6. There is as yet no explanation for Le Duc Tho's almost total disappearance from the Hanoi scene since he returned from a tour of Europe at the end of last year.

VI. OTHER MAJOR ASPECTS

- 1. Friendly guerrillas operating in the vicinity of Route 922 in the Laos panhandle reported an estimated regimental-size enemy force near the Laos/South Vietnam border on 7 March. Route 922 is being extended by the Communists into South Vietnam toward the A Shau Valley.
- 2. The friendly guerrillas encountered a 23-man patrol--probably of enemy security personnel--on 4 March and five platoon-size enemy elements were contacted on 5 March. On 6 March an estimated battalion-size enemy force attacked a perimeter which had been established by the guerrillas. The enemy force was driven off by air strikes.
- 3. The guerrillas reported that roadwork was under way on the nights of 3 to 5 March with sounds of blasting and truck shuttles reported. A generator and a bulldozer were also heard on both nights. The guerrillas also observed a North Vietnamese engineer platoon on 7 March constructing a pontoon bridge. It is possible that this activity is for the purpose of constructing a bypass to Route 922, which is currently believed to be motorable almost to the Laos/South Vietnam border. The North Vietnamese often construct alternate bridges to cope with the effects of US air strikes.

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